NATIONAL AFFAIRS

Kludgeocracy in America

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In recent decades, American politics has been dominated, at least rhetorically, by a battle over the size of government. But that is not what the next few decades of our politics will be about. With the frontiers of the state roughly fixed, the issues that will define our major debates will concern the complexity of government, rather than its sheer scope.

With that complexity has also come incoherence. Conservatives over the last few years have increasingly worried that America is, in Friedrich Hayek's ominous terms, on the road to serfdom. But this concern ascribes vastly greater purpose and design to our approach to public policy than is truly warranted. If anything, we have arrived at a form of government with no ideological justification whatsoever.

The complexity and incoherence of our government often make it difficult for us to understand just what that government is doing, and among the practices it most frequently hides from view is the growing tendency of public policy to redistribute resources upward to the wealthy and the organized at the expense of the poorer and less organized. As we increasingly notice the consequences of that regressive redistribution, we will inevitably also come to pay greater attention to the daunting and self-defeating complexity of

public policy across multiple, seemingly unrelated areas of American life, and so will need to start thinking differently about government.

Understanding, describing, and addressing this problem of complexity and incoherence is the next great American political challenge. But you cannot come to terms with such a problem until you can properly name it. While we can name the major questions that divide our politics — liberalism or conservatism, big government or small — we have no name for the dispute between complexity and simplicity in government, which cuts across those more familiar ideological divisions. For lack of a better alternative, the problem of complexity might best be termed the challenge of "kludgeocracy."

A "kludge" is defined by the Oxford English Dictionary as "an ill-assorted collection of parts assembled to fulfill a particular purpose...a clumsy but temporarily effective solution to a particular fault or problem." The term comes out of the world of computer programming, where a kludge is an inelegant patch put in place to solve an unexpected problem and designed to be backward-compatible with the rest of an existing system. When you add up enough kludges, you get a very complicated program that has no clear organizing principle, is exceedingly difficult to understand, and is subject to crashes. Any user of Microsoft Windows will immediately grasp the concept.

"Clumsy but temporarily effective" also describes much of American public policy today. To see policy kludges in action, one need look no further than the mind-numbing complexity of the health-care system (which even Obamacare's champions must admit has only grown more complicated under the new law, even if in their view the system is now also more just), or our byzantine system of funding higher education, or our bewildering federal-state

system of governing everything from welfare to education to environmental regulation. America has chosen to govern itself through more indirect and incoherent policy mechanisms than can be found in any comparable country.

The effects of this approach to public policy are widespread and profound. But to understand how to treat our government's ailment, we first need to understand the symptoms, the character, and the causes of that ailment.

THE COSTS OF COMPLEXITY

The most insidious feature of kludgeocracy is the hidden, indirect, and frequently corrupt distribution of its costs. Those costs can be put into three categories — costs borne by individual citizens, costs borne by the government that must implement the complex policies, and costs to the character of our democracy.

The price paid by ordinary citizens to comply with governmental complexity is the most obvious downside of kludgeocracy. For example, one of the often overlooked benefits of the Social Security program — which represents an earlier era's approach to public policy — is that recipients automatically have taxes taken out of their paychecks, and, then without much effort on their part, checks begin to appear upon retirement. It's simple and direct. By contrast, 401(k) retirement accounts, IRAs, state-run 529 plans to save for college costs, and the rest of our intricate maze of incentivized-savings programs require enormous investments of time, effort, and stress to manage responsibly. But behavioral economics — not to mention common sense — makes clear that few investors are willing to make these investments, and those who do are hampered by basic flaws in decision-making.

Health insurance, too, is made nearly impossible to understand by the interplay of federal and state rules that only insurance companies fully understand. In fact, a recent study by George Loewenstein found that only 14% of people with health insurance could correctly answer basic questions about the definitions of deductibles and co-pays. Understanding the rules and the options involved requires an enormous amount of time (and often money); failing to understand them can be even more costly. Straightforward social insurance would dramatically reduce the transaction costs in the system — not to mention the rents paid to asset managers and health insurers — while depending far less on the free time and capacity for calculation of ordinary citizens.

The transaction costs of the tax code are just as impressive and disturbing. The American tax code is almost certainly the most complicated in the Western world. The Internal Revenue Service's taxpayer advocate estimates that in 2008 the direct and indirect costs of complying with that complexity amount to $163 billion each year. Included in that cost are the remarkable 6.1 billion hours a year that American individuals and businesses spend complying with the filing requirements of the tax code.

The web of deductions and credits also pushes up marginal tax rates for everyone: The National Commission on Fiscal Responsibility and Reform (more commonly known as the Simpson-Bowles commission) estimated that eliminating all tax deductions other than the Earned Income Tax Credit, the child tax credit, and a few others would allow marginal rates on middle-income taxpayers to be cut in half and those on the top earners to be cut by about a third, without reducing government revenue. It's highly unlikely we could achieve anything like that level of tax simplicity, but it is a striking illustration of just how much we are paying in higher marginal tax rates to preserve our kludgey tax system.

The compliance costs that kludgeocracy imposes on governments are just as impressive as those that confront private citizens. The complexity of our grant-in-aid system makes the actual business of governing difficult and wasteful, sometimes with tragic results. As Melissa Junge and Sheara Krvaric argue in a recent report published by the American Enterprise Institute, the multiplicity of overlapping and bewildering federal programs for K-12 education creates a compliance mentality among school leaders, making them wary of new ideas and pushing them to focus on staying on the right side of the rules rather than on improving their schools.

Similarly, in a 2007 paper published in *Public Administration Review*, Martha Derthick showed that the tangled joint administration of the flood-protection system in New Orleans played a key role in the system's failure during Hurricane Katrina. Derthick quotes Maine senator Susan Collins as having found that there was "confusion about the basic question of who is in charge of the levees" — the type of problem that is common as a consequence of our pervasive, kludgey interweaving of federal and state responsibilities. Because administering programs through inter-governmental cooperation introduces pervasive coordination problems into even rather simple governmental functions, the odds are high that programs involving shared responsibility will suffer from sluggish administration, blame-shifting, and unintended consequences.

Kludgeocracy is also a significant threat to the quality of our democracy. The complexity that makes so much of American public policy vexing and wasteful for ordinary citizens and governments is also what makes it so easy for organized interests to profit from the state's largesse. The power of such interests varies in direct proportion to the visibility of the issue in question. As Mark Smith argues in his book *American Business and Political Power*, corporations are most likely to get their way when political issues

are out of the public gaze. It is when the "scope of conflict" expands that the power of organized interests is easiest to challenge. That is why business invests so much money in politics — to keep issues *off* the agenda.

Policy complexity is valuable for those seeking to extract rents from government because it makes it hard to see just who is benefitting and how; complexity so thoroughly obscures the actual mechanism of political action that it is difficult to mobilize against. That is why businesses prefer to receive benefits through the tax code or through obscure regulatory advantages rather than in straightforward handouts from the state. Politicians may posture against "corporate welfare," but kludge-ocracy makes it hard for voters to see how much business profits from government, which makes it difficult to effectively target their anger. As a consequence, that anger diffuses onto our system of government as a whole, leading to a loss of trust and to skepticism of the possibility that the public sector could ever be an effective instrument of the public good.

Policy complexity also benefits interests other than business. For example, the federal government has become increasingly involved in funding K-12 education over the last 50 years. But instead of just handing over big checks to school districts on the basis of need, the federal government showers the states with dozens of small programs. There is not much evidence that federal funding has improved the quality of schooling, and yet the morass of federal grant programs in primary and secondary schooling survives and grows. It persists because the system's sheer complexity makes it easier to organize a supportive coalition for federal education funding. When that funding is divided into individual grants targeted to specific constituencies, those recipients will act to secure their particular aid. The complicated structure of federal education policy has thus created an army of Lilliputians who lock in the multitude of grants even though the work of keeping those grants

coming often makes it harder to actually run school districts. Kludgeocracy ensures that what William Bennett and Chester Finn have called the "blob" of education interests wins, while the capacity of the federal government to actually improve educational opportunity diminishes.

Neither party is immune to the costs of kludgeocracy — the interests of both liberals and conservatives are ill-served by policy complexity. It hurts conservatives by concealing the true size of government. As Suzanne Mettler argues in her important recent book *The Submerged State*, our complex, hidden welfare state obscures government action, leading citizens to mistake as "private" programs that are in fact pervasively shaped by government. Mettler's research shows, for instance, that Americans who benefit from education-savings programs run through the tax code (like 529 plans) do not experience them as government at all, despite the fact that they redistribute huge sums of money. The same is true for the deduction for employer-provided health care and a variety of other pieces of the welfare state hidden in the tax and regulatory codes. This perpetuates the national myth of radical individualism and independence while creating the impression that only other, less deserving people draw upon government largesse.

Pursuing public goals through regulation and litigation does not eliminate the costs of government, but it does make it hard for citizens to see the costs of public action, which appear in the prices of goods and services rather than on the government's books. Perversely, pushing inevitable government action into these lower-profile mechanisms results in trading a type of government institution that is well understood and relatively easy to control for one that conservatives have always found difficult to rein in. We know, for instance, what the government spends down to the dollar and have a reasonably centralized means of allocating it, but serious estimates of the costs of litigation (like that encouraged by laws

such as the Americans with Disabilities Act) vary by orders of magnitude, and the individuals imposing the costs are often hundreds of very imperfectly coordinated judges and juries.

Kludgeocracy also harms liberalism, by creating both the image and the reality that government is incompetent and corrupt. The complexity of the tax code, for instance, facilitates tax cheating and creative accounting, and along with it the impression that tax compliance is lower than it actually is. Much of the legitimacy of the law and the willingness of citizens to contribute to public goods rests on the perception that others are doing their share. Complexity eats away at this perception, which is crucial for maintaining public support for the expansion of the kinds of state activity that liberals favor.

Because the current political environment nurtures suspicion of government action, liberal politicians have developed the sneaky habit of finding back doors through which to advance their goals. This habit has had a corrosive effect on liberalism. In searching for ways to promote public activism in spite of institutional and cultural resistance, liberals have developed a pattern of dishonesty and evasiveness instead of openly making the argument for a muscular role for government. This is why, despite liberalism's legislative victories, very few recent liberal policies have successfully provided platforms from which to launch new rounds of policy innovation.

So while liberals are harmed by the opacity of kludgeocracy's successes, conservatives are hurt by the inscrutability of its failures. In both cases, the complexity of government is not good for our politics. And the fact that so much of our welfare state is jointly administered — either inter-governmentally or through contracting with private agents — makes it hard for Americans to attribute responsibility when things go wrong, thus leading to blame being spread over the government in general, rather than targeted

precisely where it could do some good. Complexity thereby leads to diffuse cynicism, an attitude certain to undermine good citizenship — of either the conservative or liberal form — in our republic.

THE CAUSES OF KLUDGEOCRACY

The costs of kludgeocracy, therefore, are considerable. Addressing the problem, however, requires that we understand why American politics turns to kludgey solutions so regularly. A condition as chronic as kludgeocracy inevitably results from many causes at once, but the key interlocking causes in this instance are the structure of American government institutions, the public's ambivalent and contradictory expectations of government, and the emergence of a "kludge industry" that supplies a constant stream of complicated, roundabout policy solutions.

We were all taught in school that American institutions were designed to constrain the growth of government. This is, of course, why some on the right tend to defend our founding institutional heritage, while many liberals as far back as the Progressive era have voiced considerable skepticism about the Constitution's architecture. But there are reasons to question the idea that federalism and the separation of powers limit the growth of government: A great deal of political-science scholarship shows that when we look beyond spending and taxation and focus on the policy tools that the United States has historically relied on more heavily — such as regulation, litigation, and tax expenditures — the activity of the American state is not significantly more limited than those of other industrialized countries.

American institutions do, in fact, serve to constrain the most direct forms of government taxing and spending. But having done so, they do not dry up popular or special-interest demands for government action, nor do they eliminate the desire of politicians to claim credit

for new government activity. When public demand cannot be addressed directly, it is met instead in complicated, unpredictable ways that lead to far more complex legislative solutions.

The most obvious reason why American institutions generate policy complexity is our system's numerous veto points. The separation of powers means that any proposal must generate agreement at three different stages — each house of Congress and the president. But opportunities for vetoes turn out to be more extensive than the simple text of the Constitution would imply. Most legislation has to pass through separate subcommittee and committee stages, each of which presents opportunities for legislators to stymie action. Many ambitious proposals are considered by Congress under "multiple referrals," in which more than one single committee is given jurisdiction. This multiplies the number of veto points, as we saw with the Affordable Care Act, which had to pass through five separate committees in Congress. Finally, the super-majority requirement for breaking a filibuster in the Senate, combined with the intense partisanship that accompanies most major policy reforms, means that any single member can stall the progress of a piece of legislation, and a cohesive minority can kill it.

A superficial analysis would predict that this proliferation of veto points would lead to inaction, generating a systematic libertarian bias. In practice, however, every veto point functions more like a toll booth, with the toll-taker able to extract a price in exchange for his willingness to allow legislation to keep moving. Most obviously, the toll-taker gets to add pork-barrel projects for his district or state in exchange for letting legislation move onto the next step. This increases the cost of legislation, even if, as John Ellwood and Eric Patashnik have argued, it might be a reasonable price to pay for greasing the wheels of a very complicated legislative machine.

But the price of multiple veto points is much larger than an

accounting of pork-barrel projects would suggest. First, many of our legislative toll-takers have a vested interest in the status quo. In exchange for their willingness to allow a bill to proceed, therefore, they often require that legislation leave their favored programs safe from substantive changes. Consequently, new ideas have to be layered over old programs rather than replace them — the textbook definition of a policy kludge. Second, the need to gain consent from so many actors makes attaining any degree of policy coherence difficult at best. Finally, the enormous number of veto points that legislation must now pass through gives legislative strategists a strong incentive to pour everything they can into giant omnibus legislation. The multiplication of veto points, therefore, does not necessarily stop legislation from passing, but it does considerably raise its cost and, more importantly, its complexity.

America's federal system of government also does its part to add to policy complexity. In a purely federal system, in which governmental functions were clearly differentiated between the national and state governments, federalism would not translate directly into complexity. But that is not American federalism as it is currently practiced.

Many of our major social programs were created when the South, and to a lesser degree urban political machines, exercised a veto over expansions of federal spending that failed to leave the details of administration to local officials. The decline of these regional power centers did not, however, lead to a more streamlined national pattern of policy development. Even as the government expanded in the 1960s and '70s in areas ranging from the environment to education to health care, the federal government and the states continued to share the duties of governing in a complex web of responsibilities. While states and localities actually administer essentially all programs in these domains, the federal government is deeply involved as a funder, regulator, standard-setter, and

evaluator. The result is the complicated "marble-cake federalism" structure that characterizes almost all domestic policy in the United States, making clear lines of responsibility hard to establish.

American political culture and ideology have also, in sometimes obscure ways, contributed to kludgeocracy. One of the clearest findings in the study of American public opinion is that Americans are ideological conservatives and operational liberals. That is, they want to believe in the myth of small government while demanding that government address public needs and wants regarding everything from poverty and retirement security to environmental protection and social mobility.

This ambivalence in expectations creates a durable bias in the actual outputs of American government. The easiest way to satisfy both halves of the American political mind is to create programs that hide the hand of government, whether it is through tax preferences, regulation, or litigation, rather than operating through the more transparent means of direct taxing and spending.

Housing is perhaps the most striking and perverse example of this pattern of government growth through seemingly non-governmental means. The 30-year, fixed interest-rate mortgage exists on a mass scale only in the United States, and only because of massive distortions of the free market by government-sponsored entities like Fannie Mae. Added on top of that are the deduction of mortgage interest from taxable income — the third-largest exclusion in the tax code — and the delay in capital-gains taxation on home sales when another home is purchased. Taken together, the tax code and government-sponsored enterprises amount to a massive housing-welfare state. And although it delivers benefits to many citizens, this set of programs is fundamentally regressive — vastly favoring people in the highest tax brackets and artificially increasing the prices of homes, thus increasing barriers for first-time home buyers.

A similar pattern can be found in government subsidies of retirement savings (for example, through IRAs and 401(k) plans), employer-provided health insurance, and student loans. All of these aspects of what Christopher Howard has called our "hidden welfare state" fail to serve their putative goals while also redistributing upward. IRAs and 401(k)s, for example, do not appear to actually increase personal savings; instead, their main effect is to cause wealthier investors to shift their savings from taxable to untaxed accounts (from which, again, the wealthy gain the greatest savings since their tax rates are highest). But these programs are not generally thought of as "big government" because they operate primarily by channeling resources to mutual-fund companies, health insurers, and the housing market through the tax code.

Where our government does spend, it increasingly does so indirectly. The myth of what George Mason University's Michael Greve calls "our federalism" creates a bias toward sending money to the states, even though the cash always comes with a laundry list of regulations and requirements attached.

The strategic decisions of conservatives over the last 50 years have abetted the growth of such public misunderstanding of government. A half-century ago, conservatives found they were unable to stop the growth of the federal government's role in education, but, as Patrick McGuinn has shown, what they were able to do was force that funding to come in the form of multiple small programs, on the theory that these would be less likely to grow than a simple, clean handover of cash to poor districts. They turned out to be wrong — this division of funding helped facilitate the growth of small, powerful interest groups that have made it virtually impossible to untangle our ineffective web of federal education programs.

More recently, Republicans have faced similar questions regarding how to deal with an irrepressible public demand for government

action, and in many cases they have decided to concede on the condition that the growth of government cut their allies in on the action. During the George W. Bush administration, Republicans sued for peace over the popular cry for a prescription-drug benefit for the elderly, but had enough power to ensure that the program would not be administered through the existing Medicare system. Instead, as Kimberly Morgan and Andrea Campbell show in *The Delegated Welfare State*, conservatives insisted as a condition of their cooperation that the program be administered through privately run plans.

This was more than just a payoff to business interests. Republicans hoped that by sidestepping the Medicare bureaucracy, they could make the system more cost-efficient and encourage better consumer and provider decisions. Just as important, however, it would also cut the chains connecting citizens and government, leading the elderly to associate the improvement in their standard of living with private providers instead of the state. If they couldn't stop the program entirely, then programmatic complexity would make it difficult for Democrats to take credit for it, and make it less likely that the program would increase citizens' support for government overall.

Similar stories could be told in a variety of other policy areas, where liberals got bigger government but conservatives funneled benefits to business, keeping liberals from taking political credit. The result of the last three decades of ideological trench warfare is that the American public got a more active, but also incoherent, ineffective, and politically intractable state.

Finally, kludgeocracy is now self-generating, as its growth has created a "kludge industry" that feeds off the system's appetite for complexity. In the name of markets and innovation, and driven by increasingly strict (and often arbitrary) limits on government personnel, the United States has created what public administrators

call a "hollow state," in which core functions of government have been hired out to private contractors, operating under the oversight of increasingly overwhelmed civil servants. Christopher McKenna, in his book *The World's Newest Profession*, shows that, for over half a century, management consultants brought in to advise governments (at great expense) have — not surprisingly — recommended a greater role for consultants and contractors.

This army of consultants and contractors then became a lobby for even greater transfer of governmental functions to outsiders — including, as Janine Wedel shows in *Shadow Elite*, the transfer of such core roles as formulating policy recommendations and overseeing contractors. This kludge industry, having pulled the fundamental knowledge needed for government out of the state and into the private sector, has thus made itself nearly indispensable. And with its large, generally non-competitive profits, the kludge industry has significant resources to invest in ensuring that government continues to layer on complex policies, and hence continues to need to purchase more services.

As vital as the material interests of consultants and contractors have been in encouraging policy complexity, an important role has also been played by the army of think-tank analysts on all sides of our politics. As the institutional and cultural incentives reinforcing kludgeocracy have gotten ever more intense, the suppliers of policy ideas have generally adapted to kludgeocracy rather than resisting it.

For example, instead of repeatedly making the case for fairly simple and direct mechanisms of social insurance, writers in liberal think tanks have pushed for often bewilderingly complicated policies to increase savings under the banner of "asset-building" strategies. Conservative policy scholars, meanwhile, have seen in the privatization of government's administrative functions a way to

reduce the power of the bureaucracy.

Much of the preference for complexity comes from trying, against the background of permanent austerity, to get the equivalent of two dollars in social benefit out of one dollar (or less) in governmental effort. But some of it comes from a preference for clever or innovative policy mechanisms; relatively simple, direct uses of governmental brute force are just not as interesting. Whatever the cause, policy intellectuals are very much a part of the kludge-industry problem.

THE CURE FOR KLUDGEOCRACY

Kludgeocracy is not an accident — it is a predictable consequence of deeply rooted features of the American regime. It would be facile, therefore, to pretend that its baleful effects can be reduced without major (and extremely unlikely) changes in our larger system of government and political values. But institutions can be changed at the margins, values can shift incrementally, and, in any case, knowing what one would do to reverse the problem is helpful if only to think about how to keep the problem from getting any worse.

The deepest cause of kludgeocracy is the structure of American governing institutions, and the incentives that they provide for individual politicians. Any attempt to chip away at policy complexity must involve reducing the number of extra-constitutional veto points in our system. These are not features of the original design of our system of government but are more like barnacles that have built up over time. If anything, removing them would lead to institutions that function in ways that are truer to the founding design.

The first reform that would tend to reduce kludgeocracy would be to eliminate or radically reduce the filibuster in the Senate, which increases the number of members who can demand changes in legislation as the price of their vote. Second, we should reduce multiple referrals to congressional committees, which create extra opportunities for rent seeking and produce policies with fundamentally divergent logics that need to be reconciled with one another (before they even reach a House-Senate conference). Both of these changes would increase the power of the congressional majority, and reduce the power of individual members to demand adjustments that add to policy complexity. A more majoritarian Congress — regardless of which party had the majority — would also be more likely to effectuate wholesale changes in policy, be it to the right or left.

These sorts of institutional changes are hardly unimaginable. In fact, in the last few years the filibuster has faced greater criticism than at any time over the last four decades. And at least in the House, the trend since the Gingrich years has been in the direction of greater power for the majority leadership and less for committees. If the Senate were to become as majoritarian as the House, the institutional hooks that facilitate complexity would be reduced considerably.

Public policies would also become less kludgey if Congress shifted the power over the "micro-design" of policies away from Capitol Hill and toward the agencies that will actually have to administer them once they are passed. This is not a plea for greater delegation of congressional power to the executive. In some ways, it is the opposite. Congress often avoids actually producing a piece of legislation that is worthy of the name — a general, abstract statement of authoritative lawmaking and basic policy design — and instead passes a wave of specific measures unconnected by any general logic. It does too much of what the executive is best

equipped to do, and too little of what it actually has the authority to command. Giving the people who will actually have to administer policies greater power over the design of those policies would likely increase their simplicity.

We should also thoroughly reconsider our system of federal grants to the states. Michael Greve recently suggested that we adopt a norm of "one problem, one sovereign." In other words, in policy areas like education or health care, give the problem either to the federal government or to the states to deal with, but don't give it to both. If the federal government wants to expand access to health care, it should pay the bill and administer the program itself. In education, either we should considerably nationalize education (by, for example, creating a national voucher paid for out of tax funds that would go directly to individuals and pre-empt local funding through property taxes) or cut out the complicated web of federal education funding and regulation altogether. A realignment of responsibility for both of these problems is conceivable; we could relieve states of the costs of Medicaid entirely and send education — lock, stock, and barrel — back to the states. This was, in fact, what President Reagan proposed back in the 1980s, and it is still a sound idea.

This is an area where the conservative majority on the Supreme Court could actually generate greater pure nationalism, forcing federal programs to be fully and openly run by the federal government, by establishing rules that make it harder for Democrats to expand federally supported, state-administered social-welfare programs (like Medicaid). Democrats would vociferously object in the short term, but over the long term constitutional standards like these might actually serve the interests of liberalism as well as conservatism better than the law of anything goes. Democrats would be prevented from proposing policies that, as Suzanne Mettler has shown, actually fail to serve their political interests over

the long term by hiding the hand of government when it delivers benefits. And they would be forced to rediscover their capacity to argue transparently for social action in the interest of social justice, rather than trying to come up with ever more complicated kludges.

Another potentially valuable reform would be to change institutional rules in Congress to increase the visibility of policy complexity's costs. Shining a light on the costs of kludgeocracy would encourage more publicly-spirited politicians to seek to minimize them, while their more electorally minded colleagues would be made to worry about being held responsible for them. As the late senator Daniel Patrick Moynihan argued, what counts is what's counted. While Congressional Budget Office deficit scoring powerfully influences politicians as they consider policy options, the large compliance costs associated with our kludge-ocracy are uncounted, and thus invisible. Requiring that CBO issue an estimate of governmental and private compliance costs along with its deficit scores may reduce somewhat the incentives to lower deficit estimates by substituting more complicated alternatives for straightforward programs. Moreover, the addition of an extra "distributive score" to CBO estimates would reveal that kludgey policies typically redistribute upward rather than downward. Mettler has shown in experimental work that tax expenditures are considerably less popular when the fact that they disproportionately benefit the wealthy is made clear.

While institutional change is likely to come incrementally, if at all, a more direct, near-term strategy is an attack on the kludge industry, given that it both lives off of and helps create demand for policy complexity. The best place to start could be the Department of Defense: The growth of the private military over the last few decades has been explosive, and congressional efforts at deficit reduction have put the Pentagon's budget on the chopping block. Increasing the salaries of high-level federal workers throughout the

government and reducing caps on their numbers could also go hand in hand with drastically cutting the amounts that agencies can spend on consultants and contractors.

Much of the kludge industry has benefitted from the ideological support it has garnered from Republicans, who have seen the army of consultants and contractors as an attractive alternative to government bureaucrats. But the increasingly populist spirit of the Republican Party may be a signal that this cozy relationship with the kludge industry is coming to an end. Republicans are starting to recognize that companies that receive the vast majority of their business from the government are not really in the private sector at all. Private profits and public risk is hardly a conservative combination, and it is not hard to see how the spirit that has lately led conservatives to question government support for the big banks could be turned against the rest of modern government's corporate dependents.

Going further than just attacking the crony capitalism inherent in kludgeocracy, however, will require deeper reconsiderations of the orthodoxies of both conservatives and liberals. While it is hard to imagine in an era of tax pledges, Republicans convinced that kludgeocracy is a problem will need to rethink their exclusive emphasis on controlling direct federal taxation and spending. Resistance to carbon taxation, for example, has not eliminated pressure for action on global warming; instead it has deflected it into highly inefficient and incomprehensible regulations and subsidies. Limiting growth in federal taxation has redirected pressure for social protection into the hidden welfare state, rather than encouraging greater self-reliance. Trying to stop the growth of nationally administered social and regulatory programs has not led to freer markets; it has only encouraged the spread of complex inter-governmental kludges.

Conservatives might do better to insist that if we are going to have a government of a certain size, it should be national, transparent, and tax funded. There is no way in a democratic polity for the public to get less government than it wants — demand for state action will always yield a supply. But conservatives should insist that voters get only the government they are willing to pay for directly and out in the open, and liberals should not be able to expand government beyond that point through complicated mechanisms that hide the hand of the state. Insisting on constraints that force state action into the open would lead to a government with higher levels of outright taxing and spending, but one that was less sprawling, less intrusive, more democratically accountable, and more transparent than today's kludgeocracy.

Liberals, too, will need to change their thinking in order to claw back kludgeocracy. Perhaps above all, they will need to accept constitutional constraints that they currently identify with conservatism. Two areas in particular come to mind. First, liberals should look more favorably on constitutional interpretations that make joint federal-state programs more difficult to establish and administer. Such interpretations include Chief Justice Roberts's ruling in the 2012 Obamacare cases limiting the penalty on states that fail to join the law's Medicaid expansion.

Second, liberals should also come to accept various quasi-constitutional rules (like those Congress sometimes imposes on itself) establishing super-majority requirements for the creation of any new deductions or credits in the tax code. While these rules make it harder to engage in forms of shadowy government activism, liberals should insist that, in exchange, majoritarian rules govern all other lawmaking. So long as a 60-vote majority is required for any meaningful action in the Senate, the inclination to buy votes with complex kludges to piece together a super-majority is irrepressible. A Congress that operated under rules that restricted *hidden* taxing

and spending but enabled more *transparent* forms of both would probably be one that passed fewer, but larger and more effective pieces of major legislation. In the long run, this would be in the interests of both liberals and conservatives, even if they found it frustrating in the short term.

Few of the reforms sketched out above have much of a chance of being enacted at the moment, since the institutions and practices they propose to alter are too deeply entrenched to remove quickly. But there are levers for change short of major institutional reform, the most important of which is a shift in problem definition. Grand "problems" do not naturally appear in politics — it is only through research, discussion, deliberation, and argument that we patch together smaller, individual problems into a complex whole that comes to be defined as a critical "issue." For example, air and water quality, public lands, and toxic waste were all thought of as discrete problems until writers and a nascent movement made "the environment" a problem that politicians were able to discuss as one issue.

Only when Americans give a name to what ails their government, therefore, will we be able to achieve a system that is simpler, more effective, and better for democracy. Introducing kludgeocracy into the public vocabulary as a recognized problem will be an uphill battle. First, ordinary citizens will need help seeing the problem and recognizing its manifestations in their daily lives. When they get frustrated trying to navigate federal education-aid programs, or flustered trying to understand their taxes, or perplexed at the complications of our civil-litigation system, they need to recognize their problem as a part of a larger set of issues that links to other, seemingly unconnected grievances and frustrations. Clarifying such links is the quintessential work of public intellectuals, writers, bloggers, researchers, and entrepreneurial politicians.

SELF-GOVERNMENT WORTHY OF THE NAME

While it might seem like an uphill climb, a simpler, less kludgey government is an immensely attractive goal, and should appeal to Americans of all parties and ideologies.

Imagine a world in which the tax code was scrubbed clean of byzantine savings incentives and Social Security payments were increased instead; in which tax deductions for health insurance were eliminated and either Medicare was expanded or subsidies for catastrophic insurance in a competitive market were established; in which taxes on pollution were imposed but complicated regulatory and subsidy schemes were thrown out; in which government contractors and consultants were purged and a sharper division was established between federal and state responsibilities; and in which a maze of loans, grants, and subsidies was replaced with vastly more straightforward programs to help Americans pay for college tuition and housing. Imagine a world in which constitutional norms forced government to act directly and transparently or forgo action altogether. Americans would have a government that did fewer, simpler, bigger things, and they would be able to more effectively reward politicians for policy successes and to hold them accountable for failures.

The politics of that world would be neither more "liberal" nor more "conservative" in any simple sense. Government would be bigger and more energetic where it clearly chose to act (and so received public sanction for doing so), but smaller and less intrusive outside of that sphere. Unlike the kludgey mess that neither party seems willing to take on today, that would be a vision of American government worth fighting for.

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